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22 April 1963

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MEMORANDUM FOR THE DIRECTOR

- l. I talked to Tom Hughes about the attached. Everything he prepares for the Secretary goes to S/S which is the Executive Secretariat of the State Department. If any distribution outside of the State Department is made, it is made by S/S and generally without Tom's prior knowledge. On the other hand, Tom's people send direct to CIA a copy of practically everything they produce for the Secretary -- on a concurrent-delivery basis insofar as practicable. These are received by the DD/I.
- 2. In the subject case, Tom did not know it was going to be distributed at NSC nor, in view of the delivery time, would there have been any opportunity for you to have seen it prior to the meeting.
- 3. I think this is something that should be straightened out between you and Dean Rusk, since it is really not in Tom Hughes' bailiwick once he has furnished the basic paper to the Secretary. If you prefer, I will take it up with Dean Rusk.
- 4. The one thing I do not believe we should tromp on is Tom Hughes! responsibility to advise and consort with his own Secretary.

Marshall S. Carter
Lieutenant General, USA
Deputy Director

MSC:blp

State Department review completed

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DEPARTMENT OF STATE

THE DIRECTOR OF INTELLIGENCE AND RESEARCH

TO : The Secretary

THROUGH: S/S

FROM : INR - Thomas L. Hughes

APR 22 1963

SUBJECT: Laos: Some New Contingencies

Souvanna's announcement April 21 that he had reached agreement with Souphanouvong to keep the peace for a few days, pending arrangement of a more permanent truce, may stabilize the military situation temporarily. However it is not entirely clear that Souphanouvong has agreed to a cease-fire. Even if he has there may be further local actions on the Plaine des Jarres or elsewhere.

Communist Position

Moscow has maintained virtual silence on Laos, but Peiping and Hanoi have continued to charge that the United States and Lao reactionaires are conspiring to divide the neutralist center, undermine the Lao government, and violate the Geneva agreements. Souphanouvong, broadcasting an account of his meeting April 21 with Souvanna, carried this line one step further by claiming that he and Souvanna had agreed that the "infiltration" of Phoumi troops into the neutralist ranks was the principal cause of the conflict.

Communist strategy appears designed not only to frustrate countermoves against the Pathet Lao but also to deprive Kong Le of even the support he is now getting.

Souvanna's Position

One effect of this communist strategy is to pressure Souvanna to accept, for the sake of a cessation of fighting, a reduction of the strength and territorial scope of his own neutralist forces. To the extent that he does so, Souvanna runs the risk of weakening his own support through friction with Kong Le, further defections among his neutralist forces, and alienation of the cooperative support he has been accepting from Phoumi. On the other hand if Souvanna maintains a strong position, laying the blame on the Pathet Lao and North Vietnam, and holding out for territorial restitution at the Plaine des Jarres, he risks renewed external pressures on the neutralist position by further military action on the Plaine des Jarres or elsewhere, and by direct communist criticism of his own role.

The military standstill agreement Souvanna believes he has obtained may give a limited amount of time for United States and United Kingdom diplomatic efforts to engage Soviet influence without further neutralist territorial losses. If however -- as seems the more likely in the light of Gromyko's reply to Lord Hume -- the Soviet position basically remains a passive one, it will be next to impossible to engage Soviet influence in behalf of a meaningful effort to restore the neutralist center by diplomatic means alone.

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Deterrent Moves

Deployment of 7th Fleet detachments toward the Gulf of Tonkin may affect the situation as follows:

- 1. Souvanna initially may consider his dilemma intensified because, as the neutralist leader now in what he believes is a military standstill agreement with the Pathet Lao, he might be subject to more direct communist attack on his own position if he tacitly accepts the United States action. However he may be brought to realize that without such action the chance of checking communist military and political pressures are poorer.
- 2. In any case, in combination with stepped-up supply efforts, it seems likely that Kong Le and his forces, as well as the rightist elements, will be heartened.
- 3. To the Kremlin, the dispatch of 7th Fleet detachments will represent evidence of United States concern. Indeed, in a sense it may be more effective in argument with Moscow than movement of ground forces into Thailand. This is so precisely because it suggests the possibility of action against North Vietnam to protect the neutralists rather than a precautionary movement into Thailand to protect Phoumi. It raises the question of Soviet as well as Chinese commitments more directly than would the dispatch of forces to Thailand, potentially for Laos. Nevertheless, given the current political maneuvering in Laos, it seems likely that this preliminary action will have effect only insofar as it recommends caution -- possibly cease-fire -- to the communist forces. It is far less certain that the move will bolster Souvanna's hopes to restore the status quo ante.

At this point it would appear that further United States military moves in the immediate future -- air squadrons, possibly a battle group into Thailand -- in addition to the 7th Fleet would have the following effects:

- 1. To the Pathet Lao and the North Vietnamese the immediate deterrent impact would be increased. However they would also seek to exploit the moves politically and to make Souvanna disassociate himself from if not oppose them.
- 2. Such additional moves would therefore involve the risk that Souvanna might denounce or disassociate himself from them. Advance consultation with Souvanna on these moves would be necessary to convince him to remain silent although he might not accept their desirability. He probably now believes that signs of direct United States intervention only complicate his own efforts to resolve the issues for which he needs time and the absence of conspicuous outside intervention.
- 3. Phoumi would be heartened by United States moves indicating a willingness to intervene in Laos. It is always possible that he might seek

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to seize on them as an opportunity to take the initiative with his own forces and possibly together with Kong Le. However, the chances are that Phoumi would watch for a while to see how things develop on the scene in Laos before deciding to take any action on his own.

4. Therefore, if further movements on the ground are to be taken in Southeast Asia, they must be judged in the context of what strains they may add to the relationship between Souvanna and Phoumi -- a relationship that needs to be fostered.

MEMORANDUM FOR: General parter

I discovered the attached along with some papers I had to file. There is no indication that you saw Mr. Elder's note of ll June -- you will recall that, back in May sometime I believe, we got this back from Mr. Elder's office with "DCI/WE written on it but not indicating if any action had been taken. You then sent it back with a note asking if DCI had spoken to Secretary Rusk about it. Mr. Elder's note of ll June is the answer. Since your initials appear nowhere on the blue buckslip, thought it best to bring it to your attention before filing.

Barbara (27 June)
(DATE)

FORM NO. 101 REPLACES FORM 10-101 WHICH MAY BE USED.

(47)

MEMORANDUM FOR: General Jarter

Mr. McCone requests you discuss attached with Secretary Rusk, if you wish.

W. Elder

11 June 63

FORM NO. | O | REPLACES FORM 10-101

(47)

General Carter:

Mr. Sheldon brought the attached in -you'll note that he says he and Mr. Cline
concur in paragraphs 3 and 4. Mr. Sheldon
then asked if you wish DD/I to do anything
else about this.

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